

# ARIZONA DEPARTMENT OF REVENUE

## *OCTOBER 1999 TAX FACTS*

### SUMMARY OF GENERAL FUND REVENUES

	<u>October 1999</u>	Fiscal Year <u>Total</u>
<b>Individual Income Tax</b>		
Net Collections	\$142,322,250	\$604,666,498
Percent Change	(4.8%)	2.6%
<b>Corporate Income Tax</b>		
Net Collections	\$23,517,430	\$151,072,649
Percent Change	35.4%	13.4%
<b>Transaction Privilege, Severance &amp; Use Taxes</b>		
Net Collections	\$226,264,379	\$901,326,162
Change	10.3%	9.0%
<b>Total Big Three Tax Types</b>		
Net Collections	\$392,104,059	\$1,657,065,309
Percent Change	5.4%	7.0%



# TAX FACTS

October 1999

## INDIVIDUAL INCOME TAX

### Individual Income Tax Receipts

	October 1999	October 1998	% Change
Gross Collections	\$17,489,874	\$17,245,379	1.4%
Withholding	\$170,295,433	\$168,699,395	0.9%
Refunds	(\$13,987,141)	(\$8,095,028)	72.8%
Urban Revenue Sharing	(\$31,475,916)	(\$28,359,221)	11.0%
<b>Net Collections</b>	<b>\$142,322,250</b>	<b>\$149,490,525</b>	<b>(4.8%)</b>
	Fiscal Year Total (99/00)	Fiscal Year Total (98/99)	% Change
Gross Collections	\$113,308,976	\$107,015,765	5.9%
Withholding	\$675,628,595	\$642,814,758	5.1%
Refunds	(\$58,367,410)	(\$47,032,528)	24.1%
Urban Revenue Sharing	(\$125,903,664)	(\$113,436,885)	11.0%
<b>Net Collections</b>	<b>\$604,666,498</b>	<b>\$589,361,109</b>	<b>2.6%</b>

### Federal Retiree Program

The Federal Retiree Project is drawing to a close. Refunds sent out directly as a result of the Federal Retiree Program is \$2,511 for October and \$7,478 for the fiscal year. The total revised estimated cost of the FRP project is \$162.1 million. The estimate for the final credit payout for the remaining credit holders is \$0.151 million.

### Federal Employees Retirement Contribution Program

The Federal Employees Retirement Contribution Project is also nearing completion. Refunds issued as a result of the FERC project totaled \$8,995 in October and \$16,144 for the fiscal year. In addition to this amount, \$0 of available credits were used to cover outstanding agency debts. The law firm of Bonn, Lusher, Padden & Wilkins has obtained a temporary restraining order requiring the department to withhold 20% of each claimants refund based on the law firm's claim that they should be entitled to fees from each claimant that benefited from their work. This amount is equal to \$2,249 for the month of October and \$4,208 for the fiscal year.

### Individual Income Tax Document Count

In calendar year 1998, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	TOTAL
#	38,237	1,142,300	66,008	102,748	280	38,999	569,223	18,721	1,976,516
%	1.9	57.8	3.3	5.2	0.0	2.0	28.8	0.9	

In calendar year 1999 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	TOTAL
#	36,408	1,281,752	62,494	102,159	68	36,295	334,385	17,230	162,378	2,033,169
%	1.7	63.0	3.1	5.0	0.0	1.8	16.4	0.8	8.0	

The 2,033,169 returns filed through October 1999 compares to 1,930,561 filed through October 1998, an annual increase of 5.3%. This count represents multiple tax years. For tax year 1998 filed in 1999, 1,949,451 returns have been filed, this represents a 4.7% increase from 1997 returns filed in 1998 during the same period of time.

### **Year-Over-Year Comparison of Resident Taxpayers**

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made from taxpayers who have filed for both calendar years to be compared and who have indicated the same marital status on the tax returns for both years. The Department of Revenue has received 1,253,144 returns in calendar year 1999 for tax year 1998 from filers who also have returns on record from calendar year 1997 with the same marital status. On average, these filers experienced an 8.7% growth in FAGI and an 11.8% increase in tax liability. More specifically, 32.6% of these filers experienced a decrease in tax liability; on average a decrease of 21.7% with a corresponding average decrease in FAGI of 38.6%. Filers showing an increase in tax liability totaled 702,499, or 56.1%, with an average FAGI increase of 33.2% and an average tax liability increase of 61.0%.

### **Average Individual Income Tax Refund**

	Average	Number
1999 YTD	\$527.27	1,301,312
1998 YTD	\$491.96	1,237,640
% Change	7.2%	5.1%

### **"New" Filers in Calendar Year 1999**

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 1999 through the end of October. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 179,349 "new" returns have been filed thus far in 1999, representing approximately 222,157 persons, not including dependents. The average Federal Adjusted Gross Income for these 179,349 returns is \$19,728, with an average tax liability of \$325. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 22.4% had a married filing joint filing status, 9.4% claimed a 65 And Over Exemption and 41.0% claimed dependents.

### **Individual Income Tax Estimated Payments**

Beginning in 1990, individuals are required to make estimated payments to Arizona if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. The total estimated payments on the 140ES for tax year 1998 was \$326.0 million, for an average of \$1,689. A total additional \$53.1 million in estimated payments was received as refunds on the 1997 tax returns applied to 1998 estimates, for an average of \$1,767. Estimated payments received through October for tax year 1999 is as follows:

10/99	140ES payment	\$71,309,189	Cumulative	\$182,105,524
10/98	140ES payment	\$48,849,427	Cumulative	\$177,629,819
	Percent change	46.0%		2.5%
10/99	Average payment	\$1,391	Cumulative	\$1,241
10/98	Average payment	\$2,064	Cumulative	\$1,313
	Percent change	(32.6%)		(5.5%)
10/99	applied refund	\$21,194,900	Cumulative	\$48,863,608
10/98	applied refund	\$7,241,471	Cumulative	\$37,498,107
	Percent change	192.7%		30.3%
Total 10/99		\$92,504,089	Cumulative	\$230,969,132
Total 10/98		\$56,090,898	Cumulative	\$215,127,926
	Percent change	64.9%		7.4%

### **Withholding**

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from April 1998 through June 1999, \$441,478,314 was received for the second quarter of 1998. The latest complete quarter (15 months of information has been compiled) is the third quarter of 1998, which shows a growth rate of 11.3% in withholding payments over the third quarter of 1997. Growth in quarters for which information is still being gathered is as follows:

4 <sup>th</sup> Quarter 1998	10.9%	3 <sup>rd</sup> Quarter 1999	7.8%
1 <sup>st</sup> Quarter 1999	6.5%	4 <sup>th</sup> Quarter 1999	(8.4%)
2 <sup>nd</sup> Quarter 1999	9.7%		

The comparisons made above were against the same number of months of collections in the previous year. In other words, the thirteenth month of information available for the fourth quarter of 1998 was compared against the thirteenth month of collections for the fourth quarter of 1997. Current choices for withholding are 0%, 10%, 17%, 20%, 22%, 28% or 32% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

### **Property Tax Credits**

Arizona allows a refundable property tax credit if you are age 65 or older or if you received Title 16, SSI payments. Additionally, your household income must be below \$3,751 if you live alone, or \$5,501 if you live with another person, to qualify for this credit. The maximum credit is \$502.

	Number	\$	Average
Calendar Year 1999	17,206	5,282,760	307.03
Calendar Year 1998	18,620	5,573,311	299.32
% Change	(7.6%)	(5.2%)	2.6%

### **Contributions on the Individual Income Tax Return**

Through October 1999 individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	12,196	\$154,026	\$12.63
Child Abuse	13,535	\$189,566	\$14.01
Special Olympics	6,790	\$72,258	\$10.64
Neighbors Helping	4,543	\$40,817	\$8.98
AID to Education	338	\$37,925	\$112.20
Domestic Violence Shelter	10,535	\$143,414	\$13.61
Democratic Party	962	\$14,022	\$14.58
Republican Party	662	\$12,877	\$19.45
Libertarian Party	197	\$3,609	\$18.32
Reform Party	43	\$616	\$14.33

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## **CORPORATE INCOME TAX**

### **Corporate Income Tax Receipts**

	Oct 1999	Oct 1998	% Change
Gross Collections	\$35,283,237	\$23,794,055	48.3%
Refunds	(\$11,765,806)	(\$6,419,970)	83.3%
<b>Net Collections</b>	<b>\$23,517,430</b>	<b>\$17,374,085</b>	<b>35.4%</b>

	<b>Fiscal Year Total (99/00)</b>	<b>Fiscal Year Total (98/99)</b>	<b>% Change</b>
Gross Collections	\$181,794,531	\$149,959,381	21.2%
Refunds	(\$30,721,882)	(\$16,698,018)	84.0%
<b>Net Collections</b>	<b>\$151,072,649</b>	<b>\$133,261,364</b>	<b>13.4%</b>

### **Corporate Estimated Payments**

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

Oct 1999	\$23,559,052	Calendar Year Total	\$415,764,786
Oct 1998	<u>\$14,619,675</u>	Calendar Year Total	<u>\$360,827,162</u>
% Change	61.1%	% Change	15.2%

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for October 1999 and for the fiscal year.

Size of Payment →	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,000 and more	Total	% chg
Oct 1999	180	16	20	2	5	0	223	12.1
Oct 1998	161	15	18	4	1	0	199	
CY 1999	2,478	331	355	46	43	3	3,256	6.2
CY 1998	2,277	322	368	63	33	2	3,065	

### **Corporate Refunds**

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 99/00 by corporate fiscal year. For example, in FY 98/99, 3.8% of the refund dollars paid were for corporate fiscal years ending in 1994 or before. The percentages are for refunds paid through the fiscal year.

<b>Corporate Fiscal Year-End:</b>	<b>94 &amp; Prior</b>	<b>95</b>	<b>96</b>	<b>97</b>	<b>98</b>	<b>99</b>
FY 98/99	3.8%	2.1%	3.9%	66.5%	23.1%	0.6%

<b>Corporate Fiscal Year-End:</b>	<b>95 &amp; Prior</b>	<b>96</b>	<b>97</b>	<b>98</b>	<b>99</b>	<b>00</b>
FY 99/00	4.6%	0.5%	2.0%	87.1%	5.8%	0.0%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table present information on refunds applied as estimated payments in the most recent month and for the calendar year.

Oct 1999	\$30,660,908	Calendar Year Total	\$69,407,548
Oct 1998	<u>\$21,129,572</u>	Calendar Year Total	<u>\$59,699,611</u>
% Change	45.1%	% Change	16.3%

### **Corporate Income Tax Document Count**

The Arizona Department of Revenue received 91,679 corporate returns showing a fiscal year-end of 1997. The type of return received is indicated below:

#	<b>120X (amended)</b>	<b>120 (regular)</b>	<b>120S (S corp)</b>	<b>99T (exempt org.)</b>
	464	51,681	39,178	356

%	0.5	56.4	42.7	0.4
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Through October 1999, 90,376 documents have been received for a fiscal year-end of 1998, distributed as follows:

	<u>120 X (amended)</u>	<u>120 (regular)</u>	<u>120S (S corp)</u>	<u>99T (exempt org.)</u>
#	297	48,713	41,063	303
%	0.3	53.9	45.4	0.3

The figures shown above for the 1998 returns are most meaningful when compared to 1997 returns received during the same period of time in the previous year. Through October 1998, the Arizona Department of Revenue received 90,631 documents with a fiscal year-end of 1997. This represents a slight decrease in corporate returns received at this point of time in the calendar year.

### **Urban Revenue Sharing Returned to Cities/Towns**

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed is 15.8% of net income tax collections two years earlier. For example, the money being distributed in Fiscal Year 1999/2000 is based on net income tax collections in Fiscal Year 1997/1998. Amounts returned for October 1999 are shown on Table 2, at the end of this report.

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## **TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES**

### **Transaction Privilege, Severance and Use Tax Receipts**

The Arizona transaction privilege and severance tax consists of many categories of tax. These categories include retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non shared. In contrast, contracting is 20% distribution base and 80% non shared. Mining severance is 80% distribution base and 20% non shared. Use tax is 100% non shared.

At the close of each month, the computer aggregates transaction privilege and severance tax collections by category and calculates total distribution base and non shared portions. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	<u>October 1999</u>	<u>October 1998</u>	<u>% change</u>
Distribution Base	\$94,005,033	\$85,597,252	9.8
Non shared	180,060,506	163,837,309	9.9
Use Tax	13,781,538	11,867,727	16.1
Other Revenues	35,646,455	26,066,478	36.8
<b>Total Collections</b>	<b>\$323,493,532</b>	<b>\$287,368,765</b>	<b>12.6</b>

	<u>Fiscal Year Total (99/00)</u>	<u>Fiscal Year Total (98/99)</u>	<u>% change</u>
Distribution Base	\$372,905,550	\$344,319,787	8.3
Non shared	715,217,124	660,178,520	8.3
Use Tax	57,493,914	47,698,064	20.5
Other Revenues	139,271,440	103,370,008	34.7
<b>Total Collections</b>	<b>\$1,284,888,029</b>	<b>\$1,155,566,379</b>	<b>11.2</b>

### **Distribution of Transaction Privilege, Severance and Use Tax Receipts**

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund. All of the non shared portion and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non shared portion of transaction privilege and severance tax, use tax and 34.49% of the distribution base collections. "Other" revenues are returned to the administering authority.

	<b>October 1999</b>	<b>October 1998</b>	<b>% change</b>
Retained by State	\$226,264,379	\$205,227,528	10.3
Returned to Counties	38,081,439	34,675,447	9.8
Returned to Cities	23,501,258	21,399,313	9.8
Other	35,646,455	26,066,478	36.8
<b>Total Collections</b>	<b>\$323,493,532</b>	<b>\$287,368,765</b>	<b>12.6</b>

  

	<b>Fiscal Year Total (99/00)</b>	<b>Fiscal Year Total (98/99)</b>	<b>% change</b>
Retained by State	\$901,326,162	\$826,632,478	9.0
Returned to Counties	151,064,038	139,483,946	8.3
Returned to Cities	93,226,388	86,079,947	8.3
Other	139,271,440	103,370,008	34.7
<b>Total Collections</b>	<b>\$1,284,888,029</b>	<b>\$1,155,566,379</b>	<b>11.2</b>

### **Transaction Privilege and Severance Tax Collections By Class**

	<b>Tax Rate</b>	<b>October 1999</b>	<b>% Chg</b>	<b>Fiscal Year Total</b>	<b>% Chg</b>
Transporting/Towing	5%	262,053	163.6	\$779,625	(31.5)
Non-Metal Mining/Oil & Gas	3.125%	472,893	(8.4)	2,314,658	4.7
Utilities	5%	26,996,654	5.3	103,406,606	3.3
Communications	5%	9,770,627	16.3	38,669,930	14.8
Railroads/Aircraft	5%	147,971	(28.0)	499,943	(28.3)
Private Car/Pipelines	5%	22,300	(17.5)	(5,972)	N/A
Publishing	5%	497,947	5.0	1,885,883	(4.8)
Printing	5%	1,704,350	3.4	6,846,598	1.9
Restaurants/Bars	5%	22,954,844	11.2	89,943,432	8.5
Amusements	5%	2,138,195	24.6	10,906,560	21.4
Commercial Lease	0%	(181,472)	N/A	21,973	(99.1)
Rental of Personal Property	5%	13,958,501	7.1	54,096,285	2.9
Contracting	3.75% - 5%	44,603,963	9.8	181,956,792	8.4
Feed Wholesale	Repealed	(150)	N/A	(113)	N/A
Retail	5%	142,333,013	11.0	566,208,490	10.4
Advertising	0	0	0.0	0	0.0
Mining Severance	2.5%	1,510,289	(13.9)	5,965,212	(13.2)
Timber Severance	\$2.13/\$1.51 per 1000 board ft	446	(96.1)	3,434	(81.8)
Hotel/Motel	5.5%	6,566,093	8.4	23,425,849	5.1
Membership Camping	5%	2,342	(43.3)	9,732	(10.8)
Use/Use Inventory	5%	13,781,538	16.1	57,494,430	20.5
Rental Occupancy Tax	3%	7,124	(3.5)	16,374	(41.0)
Jet Fuel Tax	\$.0305/\$.0105 gal	290,239	(0.3)	1,173,332	5.3
Telecommunications Devices:	1.1				
Telecom. Fund for the Deaf	----	411,238	(3.9)	1,640,998	(4.2)
Poison Control Fund	----	152,102	(3.9)	606,944	(4.2)
911 Excise	1.25%	653,578	(1.7)	2,573,991	(3.5)
911 Wireless Service	\$0.10 monthly per activated service	132,533	44.3	574,479	63.3
<b>Total</b>		<b>\$289,189,208</b>	<b>10.1</b>	<b>\$1,151,015,467</b>	<b>8.8</b>



The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the Department.

### **Transaction Privilege and Severance Tax Taxable Sales By Class<sup>1</sup>**

	<b>October 1999</b>	<b>% Chg</b>	<b>Fiscal Year Total</b>	<b>% Chg</b>
Transporting/Towing	\$5,241,068	163.6	\$15,592,495	(31.5)
Non-Metal Mining/Oil & Gas	15,132,569	(8.4)	74,069,062	4.7
Utilities	539,933,076	5.3	2,068,132,118	3.3
Communications	195,412,547	16.3	773,398,608	14.8
Railroads/Aircraft	2,959,420	(28.0)	9,998,869	(28.3)
Private Car/Pipelines	445,993	(17.5)	(119,432)	N/A
Publishing	9,958,934	5.0	37,717,657	(4.8)
Printing	34,086,997	3.4	136,931,964	1.9
Restaurants/Bars	459,103,921	11.2	1,798,875,689	8.5
Amusements	42,763,891	24.6	218,131,196	21.4
Commercial Lease	(19,985,595)	N/A	(6,742,085)	N/A
Rental of Personal Property	279,170,017	7.1	1,081,925,698	2.9
Contracting	892,079,261	9.8	3,639,137,339	8.4
Feed Wholesale	(31,994)	N/A	(24,021)	N/A
Retail	2,846,660,453	11.0	11,324,173,691	10.4
Advertising	0	0.0	0	0.0
Mining Severance	60,411,554	(13.9)	238,608,489	(13.2)
Timber Severance	0	0.0	0	0.0
Hotel/Motel	119,383,504	8.4	425,924,523	5.1
Membership Camping	46,848	(43.3)	194,638	(10.8)
Use/Use Inventory	275,445,078	16.3	1,146,541,746	20.3
Rental Occupancy Tax	237,460	(3.5)	545,804	(41.0)
<b>Total</b>	<b>\$5,758,455,003</b>	<b>9.6</b>	<b>\$22,983,014,048</b>	<b>8.7</b>

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table, are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. A comparison can be made of gallons of jet fuel on which Arizona jet fuel tax or jet fuel use tax was paid. In October 1999, 9,820,414 gallons of jet fuel were taxed, a (5.2%) decrease from the 10,355,033 reported for October 1998. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

### **Accounting Credit**

Effective to taxable periods beginning from and after July 1, 1995, a credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. The amount of accounting credits claimed in October 1999 was \$1,125,066 a 15.6% increase from the \$973,305 claimed in October 1998. Accounting credits claimed-to-date in FY 99/00 equals \$4,780,869 a 14.3% increase from the \$4,181,306 claimed during the same period in FY 98/99.

<sup>1</sup>These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

### **Taxable Sales by SIC Code Range**

The taxable sales by SIC (Standard Industrial Classification) Code ranges are an indicator of business occurring for that type of retail sale. Certain limitations must be understood when using this information.

The Department of Revenue assigns a SIC code to a business based on its primary type of business activity. A grocery store would be assigned a SIC code of 5411. A business that deals primarily with dairy products would have a SIC code of 5451. A problem arises with businesses which derive revenue from multiple business activities. For example, a store like Cosco might be considered both a grocery store or a department store; however, all revenue would be reported under only one of the two possible codes. In summary, an accurate description of what this information represents would be: "These figures represent taxable retail sales for those businesses which have a primary SIC code falling within one designated range."

If the taxable sales for these ranges were added together, the total would not equal retail taxable sales. This is again due to the primary SIC code assignment. There are businesses making retail sales which do not have a primary retail SIC code.

<b><u>SIC Code</u></b> <b><u>Range</u></b>	<b><u>Description</u></b>	<b><u>October 1999</u></b>	<b><u>October 1998</u></b>	<b><u>% Chg</u></b>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$148,484,782	\$135,649,836	9.5%
5311-5399	general merchandise stores	\$267,907,773	\$257,914,132	3.9%
5411-5499	food stores (no food sales)	\$240,546,751	\$221,159,253	8.8%
5511-5521	motor vehicle dealers	\$513,238,759	\$444,835,854	15.4%
5531-5599	misc. automotive, motorcycle & boat stores	\$147,034,264	\$138,975,912	5.8%
5611-5699	apparel & accessory stores	\$159,280,574	\$152,297,241	4.6%
5712-5733	furniture, home furnishings & equipment stores	\$164,187,201	\$143,839,811	14.1%
5912-5949	misc. retail stores	\$188,293,742	\$171,916,975	9.5%
	<b>TOTAL</b>	<b>\$2,846,660,253</b>	<b>\$2,563,794,481</b>	<b>11.0%</b>

<b><u>SIC Code</u></b> <b><u>Range</u></b>	<b><u>Description</u></b>	<b><u>FY 2000</u></b>	<b><u>FY 1999</u></b>	<b><u>% Chg</u></b>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$629,136,809	\$571,636,807	10.1%
5311-5399	general merchandise stores	\$1,073,823,931	\$1,047,669,318	2.5%
5411-5499	food stores (no food sales)	\$924,909,918	\$865,159,458	6.9%
5511-5521	motor vehicle dealers	\$2,096,690,756	\$1,772,783,552	18.3%
5531-5599	misc. automotive, motorcycle & boat stores	\$616,576,989	\$574,576,198	7.3%
5611-5699	apparel & accessory stores	\$650,467,541	\$601,427,134	8.2%
5712-5733	furniture, home furnishings & equipment stores	\$636,518,377	\$558,353,550	14.0%
5912-5949	misc. retail stores	\$746,385,897	\$694,391,386	7.5%
	<b>TOTAL</b>	<b>\$11,324,169,791</b>	<b>\$10,252,926,311</b>	<b>10.4%</b>

### **Transaction Privilege and Severance Tax Returned to Counties**

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for October 1999 is shown in the County Share column.

	<b>Dist. Base Collections</b>	<b>County Share</b>	<b>% of Total</b>	<b>FYTD County Share</b>	<b>% Chg</b>
Apache	\$202,888	\$311,355	0.8	\$1,246,884	7.5
Cochise	1,309,969	734,057	1.9	2,909,401	10.0
Coconino	3,037,168	1,202,115	3.2	4,788,297	6.4
Gila	610,246	322,759	0.8	1,344,416	(3.1)
Graham	324,364	190,449	0.5	765,560	4.2
Greenlee	634,083	270,215	0.7	1,074,214	(4.2)
La Paz	186,733	111,868	0.3	462,414	2.4
Maricopa	63,278,653	23,955,710	62.9	94,676,111	8.8
Mohave	2,033,303	1,035,775	2.7	4,177,905	7.0
Navajo	1,519,492	651,814	1.7	2,604,811	7.9
Pima	14,042,567	5,985,992	15.7	23,852,245	8.1
Pinal	1,815,349	948,208	2.5	3,730,121	7.3
Santa Cruz	502,449	244,565	0.6	980,589	6.6
Yavapai	2,727,599	1,251,513	3.3	5,022,361	10.0
Yuma	1,780,169	865,046	2.3	3,428,710	8.8
<b>Total</b>	<b>\$94,005,033</b>	<b>\$38,081,439</b>		<b>\$151,064,038</b>	<b>8.3</b>

### **Transaction Privilege and Severance Tax Returned to Cities/Towns**

The portion of transaction privilege and severance tax returned to each incorporated city or town for October 1999 is shown on Table 3, attached to this report.

### **County Tax Collections**

The following county-imposed tax collections were received by the Department of Revenue during October 1999 and returned to the counties. County taxes in all but Coconino County are imposed at 10% of the state transaction privilege tax rate. Coconino's Excise Tax is 10% of the state rate, and its Jail Tax is 6% of the state rate. The stadium tax was imposed at 5% of the state rate. This rate completed its run in November, 1997. Collections received now should be for prior periods. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	<b>Road Tax</b>	<b>Excise Tax</b>	<b>Jail Tax</b>	<b>Rental Car Surcharge</b>	<b>Stadium Tax</b>	<b>RV Surcharge</b>	<b>Hospital Tax</b>
Apache		\$61,267					
Cochise		\$389,693					
Coconino		\$858,451	\$505,268				
Gila	\$170,824	\$164,421					\$1
Graham		\$97,037					
Greenlee		\$42,550					
La Paz		\$56,294	\$56,270				
Maricopa	\$20,273,659		\$7,329,480	\$407,436	\$24,719		
Navajo		\$427,489					
Pima				\$110,715		\$11,522	
Pinal	\$551,904	\$517,880					
Santa Cruz		\$149,111					
Yavapai		\$807,756					
Yuma		\$531,811	\$530,990				

## OTHER TAXES

### Luxury Taxes

The following revenues were received from luxury taxes in October 1999. The table compares the receipts to October 1998 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	<b>October 1999</b>	<b>October 1998</b>	<b>% Change</b>
Spirituous	\$2,086,467	\$1,458,201	43.1%
Vinous	\$950,038	\$649,178	46.3%
Malt	\$1,714,124	\$1,698,244	0.9%
Cigarette	\$12,989,606	\$16,022,869	(18.9%)
Other Tobacco	\$327,033	\$265,385	23.2%
Tobacco Licenses	\$100	\$325	(69.2%)
<b>Total</b>	<b>\$18,067,368</b>	<b>\$20,094,203</b>	<b>(10.1%)</b>

	<b>Fiscal Year Total (99/00)</b>	<b>Fiscal Year Total (98/99)</b>	<b>% Change</b>
Spirituous	\$5,734,349	\$5,571,197	2.9%
Vinous	\$2,290,937	\$2,171,083	5.5%
Malt	\$6,986,269	\$6,841,732	2.1%
Cigarette*	\$52,525,327	\$56,449,810	(7.0%)
Other Tobacco	\$1,259,223	\$1,135,271	10.9%
Tobacco Licenses	\$6,100	\$5,475	11.4%
<b>Total</b>	<b>\$68,802,205</b>	<b>\$72,174,568</b>	<b>(4.7%)</b>

\*In July, 1999, \$380,000 of Cigarette and Tobacco tax collections was allocated for administrative expenses and is not reflected in fiscal year collections.

### **General Fund revenues from luxury taxes:**

	<b>October 1999</b>	<b>FY (99/00)</b>
Spirituous	\$1,460,527	\$4,014,044
Vinous	\$237,278	\$571,802
Malt	\$428,531	\$1,746,567
Cigarette	\$3,581,295	\$14,209,458
Other Tobacco	\$50,690	\$195,180
Tobacco Licenses	\$100	\$6,100
<b>Total</b>	<b>\$5,758,421</b>	<b>\$20,743,150</b>

### **Other dedicated revenues from luxury taxes:**

	<b>October 1999</b>	<b>FY (99/00)</b>
Correction Fund revenues	\$2,247,264	\$7,754,969
Health Care Fund revenues	\$9,186,302	\$37,408,552
Wine Promotional Fund revenues	\$924	\$3,729
Drug Treatment & Education Fund revenues	\$625,435	\$2,070,630
Corrections Revolving Fund revenues	\$249,021	\$821,174

**Estate Tax**

	October 1999	\$4,844,252	Fiscal year To Date	\$23,003,335
	October 1998	\$5,513,543	Fiscal year To Date	\$20,501,907
% Change		(12.1%)	% Change	12.2%

**Private Car**

	October 1999	\$1,426,159	Fiscal year To Date	\$1,426,216
	October 1998	\$0	Fiscal year To Date	\$0
% Change		N/A	% Change	N/A

**Bingo**

	October 1999	\$66,243	Fiscal year To Date	\$218,746
	October 1998	\$94,890	Fiscal year To Date	\$261,442
% Change		(30.2%)	% Change	(16.3%)

**Unclaimed Property**

	October 1999	\$3,104,148	Fiscal year To Date	\$5,063,872
	October 1998	\$3,063,654	Fiscal year To Date	\$3,197,337
% Change		1.3%	% Change	58.4%

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

**TABLE 1**  
**“New Returns Filed in 1999 for Tax Year 1998**  
**October 1999**

Federal Adjusted Gross Income Bracket	Number of Returns	% of total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	1,148	0.6%	-\$40,144	\$2	25.5%	63.5%	5.3%	5.7%	15.9%	16.9%
<b>\$0-\$5,000</b>	<b>36,074</b>	<b>20.1%</b>	<b>\$2,717</b>	<b>\$4</b>	<b>4.7%</b>	<b>78.9%</b>	<b>14.6%</b>	<b>1.8%</b>	<b>3.9%</b>	<b>19.7%</b>
\$5,000-\$10,000	41,164	23.0%	\$7,466	\$26	9.1%	60.6%	27.8%	2.4%	7.2%	36.8%
<b>\$10,000-\$15,000</b>	<b>28,485</b>	<b>15.9%</b>	<b>\$12,398</b>	<b>\$68</b>	<b>19.6%</b>	<b>38.4%</b>	<b>38.7%</b>	<b>3.3%</b>	<b>11.2%</b>	<b>53.2%</b>
\$15,000-\$20,000	20,232	11.3%	\$17,312	\$140	28.3%	31.9%	35.6%	4.2%	12.4%	54.6%
<b>\$20,000-\$25,000</b>	<b>12,953</b>	<b>7.2%</b>	<b>\$22,328</b>	<b>\$263</b>	<b>31.3%</b>	<b>33.5%</b>	<b>29.9%</b>	<b>5.3%</b>	<b>9.9%</b>	<b>52.8%</b>
\$25,000-\$30,000	9,119	5.1%	\$27,364	\$412	33.3%	39.1%	22.3%	5.3%	9.3%	46.4%
<b>\$30,000-\$40,000</b>	<b>11,164</b>	<b>6.2%</b>	<b>\$34,500</b>	<b>\$588</b>	<b>40.6%</b>	<b>37.0%</b>	<b>17.6%</b>	<b>4.8%</b>	<b>10.6%</b>	<b>44.8%</b>
\$40,000-\$50,000	6,439	3.6%	\$44,609	\$829	50.3%	31.7%	14.5%	3.4%	13.2%	47.0%
<b>\$50,000-\$75,000</b>	<b>7,505</b>	<b>4.2%</b>	<b>\$60,137</b>	<b>\$1,224</b>	<b>61.7%</b>	<b>25.8%</b>	<b>10.2%</b>	<b>2.4%</b>	<b>16.2%</b>	<b>45.7%</b>
\$75,000-\$100,000	2,542	1.4%	\$85,223	\$1,918	68.4%	21.9%	7.6%	2.1%	20.2%	45.3%
<b>\$100,000-\$200,000</b>	<b>1,959</b>	<b>1.1%</b>	<b>\$130,026</b>	<b>\$3,442</b>	<b>69.0%</b>	<b>21.6%</b>	<b>7.3%</b>	<b>2.0%</b>	<b>24.7%</b>	<b>44.2%</b>
\$200,000-\$500,000	425	0.2%	\$289,324	\$9,529	61.0%	29.1%	6.2%	3.7%	26.1%	36.0%
<b>\$500,000-\$1,000,000</b>	<b>76</b>	<b>0.0%</b>	<b>\$680,596</b>	<b>\$25,793</b>	<b>62.0%</b>	<b>30.4%</b>	<b>5.1%</b>	<b>2.5%</b>	<b>30.4%</b>	<b>31.6%</b>
\$1,000,000 and over	64	0.0%	\$2,610,338	\$101,227	51.6%	25.0%	7.8%	15.6%	14.1%	25.0%
<b>Total</b>	<b>179,349</b>		<b>\$19,728</b>	<b>\$325</b>	<b>22.4%</b>	<b>49.4%</b>	<b>25.1%</b>	<b>3.2%</b>	<b>9.4%</b>	<b>41.0%</b>

An asterisked line indicates that the information cannot be released due to confidentiality laws.

**NEW RETURNS FILED IN 1998 FOR TAX YEAR 1997\***

<b>Total</b>	<b>218,569</b>		<b>\$17,161</b>	<b>\$280</b>	<b>19.7%</b>	<b>58.9%</b>	<b>18.4%</b>	<b>3.1%</b>	<b>8.0%</b>	<b>31.7%</b>
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"NEW" Returns means that there was no return filed by the taxpayer in the previous filing year.

This may or may not mean the filer is new to the State.

**TABLE 2**

**Urban Revenue Sharing Returned to Cities/Towns  
October 1999**

<b>City</b>	<b>Distribution</b>	<b>Population</b>	<b>City</b>	<b>Distribution</b>	<b>Population</b>
<b><u>Apache County</u></b>			Scottsdale	\$1,552,794	168,176
Eagar	\$41,688	4,515	Surprise	99,136	10,737
Springerville	17,728	1,920	Tempe	1,420,252	153,821
St. Johns	31,023	3,360	Tolleson	40,958	4,436
<b><u>Cochise County</u></b>			Wickenburg	43,996	4,765
Benson	\$37,994	4,115	Youngtown	24,874	2,694
Bisbee	60,015	6,500	<b><u>Mohave County</u></b>		
Douglas	136,466	14,780	Bullhead City	\$248,741	26,940
Huachuca City	17,912	1,940	Colorado City	29,454	3,190
Sierra Vista	349,152	37,815	Kingman	154,831	16,769
Tombstone	12,973	1,405	Lake Havasu City	335,025	36,285
Willcox	32,621	3,533	<b><u>Navajo County</u></b>		
<b><u>Coconino County</u></b>			Holbrook	\$46,812	5,070
Flagstaff	\$503,022	54,480	Pinetop-Lakeside	30,479	3,301
Fredonia	11,541	1,250	Show Low	64,521	6,988
Page	73,404	7,950	Snowflake	38,041	4,120
Williams	24,837	2,690	Taylor	24,514	2,655
<b><u>Gila County</u></b>			Winslow	99,533	10,780
Globe	\$65,168	7,058	<b><u>Pima County</u></b>		
Hayden	8,402	910	Marana	\$56,451	6,114
Miami	18,836	2,040	Oro Valley	181,496	19,657
Payson	101,602	11,004	Sahuarita	21,338	2,311
Winkelman	6,242	676	South Tucson	50,339	5,452
<b><u>Graham County</u></b>			Tucson	4,100,792	444,138
Pima	\$17,081	1,850	<b><u>Pinal County</u></b>		
Safford	81,002	8,773	Apache Junction	\$180,277	19,525
Thatcher	36,536	3,957	Casa Grande	192,788	20,880
<b><u>Greenlee County</u></b>			Coolidge	65,140	7,055
Clifton	\$27,653	2,995	Eloy	82,314	8,915
Duncan	6,786	735	Florence	105,166	11,390
<b><u>La Paz County</u></b>			Kearny	22,667	2,455
Parker	\$27,238	2,950	Mammoth	18,097	1,960
Quartzsite	18,512	2,005	Superior	32,178	3,485
<b><u>Maricopa County</u></b>			<b><u>Santa Cruz County</u></b>		
Avondale	\$210,248	22,771	Nogales	\$190,711	20,655
Buckeye	44,845	4,857	Patagonia	8,725	945
Carefree	21,107	2,286	<b><u>Yavapai County</u></b>		
Cave Creek	28,401	3,076	Camp Verde	\$68,925	7,465
Chandler	1,222,100	132,360	Chino Valley	57,966	6,278
El Mirage	53,008	5,741	Clarkdale	24,006	2,600
Fountain Hills	130,612	14,146	Cottonwood	60,431	6,545
Gila Bend	16,130	1,747	Jerome	4,247	460
Gilbert	547,877	59,338	Prescott	287,022	31,086
Glendale	1,686,112	182,615	Prescott Valley	148,127	16,043
Goodyear	85,407	9,250	Sedona	82,120	8,894
Guadalupe	50,395	5,458	<b><u>Yuma County</u></b>		
Litchfield Park	34,523	3,739	San Luis	\$74,105	8,026
Mesa	3,121,885	338,117	Somerton	53,774	5,824
Paradise Valley	114,934	12,448	Wellton	10,397	1,126
Peoria	688,470	74,565	Yuma	579,768	62,792
Phoenix	10,612,738	1,149,417			

Queen Creek	28,364	3,072	<b>TOTAL</b>	\$31,475,916	3,409,012
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**TABLE 3**

**Transaction Privilege and Severance Tax Returned to Cities/Towns \*  
October 1999**

City	Distribution	Population	City	Distribution	Population
<b><u>Apache County</u></b>			Queen Creek	\$21,210	3,072
Eagar	\$31,173	4,515	Scottsdale	1,161,149	168,176
Springerville	13,256	1,920	Surprise	74,132	10,737
St. Johns	23,199	3,360	Tempe	1,062,037	153,821
<b><u>Cochise County</u></b>			Tolleson	30,628	4,436
Benson	\$28,411	4,115	Wickenburg	32,899	4,765
Bisbee	44,878	6,500	Youngtown	18,600	2,694
Douglas	102,047	14,780	<b><u>Mohave County</u></b>		
Huachuca City	13,394	1,940	Bullhead City	\$186,004	26,940
Sierra Vista	261,089	37,815	Colorado City	22,025	3,190
Tombstone	9,701	1,405	Kingman	115,779	16,769
Willcox	24,393	3,533	Lake Havasu City	250,525	36,285
<b><u>Coconino County</u></b>			<b><u>Navajo County</u></b>		
Flagstaff	\$376,150	54,480	Holbrook	\$35,005	5,070
Fredonia	8,630	1,250	Pinetop/Lakeside	22,791	3,301
Page	54,890	7,950	Show Low	48,248	6,988
Williams	18,573	2,690	Snowflake	28,446	4,120
<b><u>Gila County</u></b>			Taylor	18,331	2,655
Globe	\$48,731	7,058	Winslow	74,429	10,780
Hayden	6,283	910	<b><u>Pima County</u></b>		
Miami	14,085	2,040	Marana	\$42,213	6,114
Payson	75,976	11,004	Oro Valley	135,719	19,657
Winkelman	4,667	676	Sahuarita	15,956	2,311
<b><u>Graham County</u></b>			South Tucson	37,643	5,452
Pima	\$12,773	1,850	Tucson	3,030,676	443,823
Safford	60,572	8,773	<b><u>Pinal County</u></b>		
Thatcher	27,321	3,957	Apache Junction	\$134,808	19,525
<b><u>Greenlee County</u></b>			Casa Grande	144,163	20,880
Clifton	\$20,679	2,995	Coolidge	48,710	7,055
Duncan	5,075	735	Eloy	61,552	8,915
<b><u>La Paz County</u></b>			Florence	78,641	11,390
Parker	\$20,368	2,950	Kearny	16,950	2,455
Quartzsite	13,843	2,005	Mammoth	13,533	1,960
<b><u>Maricopa County</u></b>			Superior	24,062	3,485
Avondale	\$157,219	22,771	<b><u>Santa Cruz County</u></b>		
Buckeye	33,535	4,857	Nogales	\$142,610	20,655
Carefree	15,783	2,286	Patagonia	6,525	945
Cave Creek	21,238	3,076	<b><u>Yavapai County</u></b>		
Chandler	913,862	132,360	Camp Verde	\$51,541	7,465
El Mirage	39,638	5,741	Chino Valley	43,346	6,278
Fountain Hills	97,669	14,146	Clarkdale	17,951	2,600
Gila Bend	12,062	1,747	Cottonwood	45,189	6,545
Gilbert	409,691	59,338	Jerome	3,176	460
Glendale	1,260,841	182,615	Prescott	214,629	31,086
Goodyear	63,865	9,250	Prescott Valley	110,767	16,043
Guadalupe	37,684	5,458	Sedona	61,407	8,894
Litchfield Park	25,815	3,739	<b><u>Yuma County</u></b>		
Mesa	2,334,485	338,117	San Luis	\$55,414	8,026
Paradise Valley	85,946	12,448	Somerton	40,211	5,824
Peoria	514,824	74,565	Wellton	7,774	1,126
Phoenix	7,936,000	1,149,417	Yuma	433,536	62,792
			<b>TOTAL</b>	<b>\$23,501,258</b>	<b>3,408,697</b>



*The Office of Economic Research & Analysis  
Arizona Department of Revenue  
1600 W. Monroe  
Phoenix, AZ 85007*